



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

In reply refer to: R-3

Jan Schori, Chair, Board of Directors
American Public Power Association
2301 M Street, NW
Washington, DC. 20037-1484

Dear Ms. Schori:

I am writing on behalf of the Bonneville Power Administration (BPA) to thank the American Public Power Association (APPA) for its thoughtful report on Federal Energy Regulatory Commission (FERC) Regional Transmission Organization (RTO) policy. The Northwest has struggled for the better part of a decade to restructure its approach to managing its transmission system. Your comments and insights are helpful in informing the debate among Northwest parties over this important issue.

BPA's philosophy in looking at these issues has been to learn from others. Your report confirms many of the concerns we've uncovered when we look at the experiences in other parts of the country. We will keep them in mind as we continue to explore the best way to approach Northwest transmission issues in the future.

In our minds, if the decision is made to seat an independent board, getting the governance right is the first step. As you noted in your report, an independent entity may be a good thing, but not if it produces an entity that is not responsive to stakeholders. To this end we insisted on including a number of provisions to accomplish this balance in the Grid West governance proposal. Enclosed is a short paper BPA staff prepared that highlights a number of the important observations and recommendations included in your report that will help guide our ongoing efforts, along with a short statement of BPA's perspective.

We appreciate your careful and thoughtful discussion of these important issues. We also appreciate that you took on the daunting task of weighing in on these issues and preparing this important report. It is well written, useful, and constructive. It has already helped shape the policy debate about how we move forward in the Northwest, as well as nationally.

Sincerely,

Stephen J. Wright
Administrator and Chief Executive Officer

Enclosure

bcc:

Admin. Chron. File – D
J. Stier – DC/WASH
J. Wilcox – DC/WASH
K. Hunt – DR-7
N. Mitman – KF-2
E. Larson – KK-3
S. Larson – L-7
R. Roach – L-7
P. Norman – P-6
J. Lebens – PS-6
G. Thompson PS-6
S. Oliver – PT-5
R. Furrer – TF-DOB1
C. Meyer – TM-Ditt2
T. Noguchi – TM-OPP2
L. Oliver – TMS-Ditt/1
C. Ehli – TO-Ditt2
B. Silverstein - TO-PPO2-1
D. Watkins – TO-Ditt2
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